

“BLACK BUTTE MINE”

**NOTICE
FOR
SMALL MINE OPERATION**

(Revised April, 2007)

APPROVED

NOV 08 2007

DIV. OIL GAS & M

Prepared by:

*Blackhawk Engineering, Inc.
Dan W. Guy, P.E.
1056 W. 2060 N.
Helper, Utah 84526
(435) 637-2422*



STATE OF UTAH

Notice of Intention to Commence Small Mining Operations

I. General Information (Rule R647-3-104)

Name of Mine:

Black Butte Mine

Operator's Name:

*GoldTerra, Inc.
4088 East Airport Road
Price, Utah 84501*

Telephone: (435) 636-8888

Ownership of Land Surface:

State Trust Land/School Sections

Ownership of Minerals:

State Trust Land/School Sections

Claimant Name:

*GoldTerra, Inc.
4088 East Airport Road
Price, Utah 84501*

Telephone: (435) 636-8888

Utah Mining Claim Number(s):

N/A

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Utah State Lease Number(s):

ML 47708

Have the above surface and mineral owners been notified in writing?:

Yes

Does the operator have legal right to enter and conduct mining operations on the land covered by this notice?:

Yes

II. Project Location & Map (Rule R647-3-105)

Location of the Proposed Activity:

Township 20 South
Range 14 East
Section 2
Description 5 acre parcel

(See Figure 1 for Location Map)

Name of Quad Map for Location:

Desert Quadrangle

(See Figure 2)

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Describe Any Existing Disturbances and Structures or Indicate on Maps or Sketches:

The upgraded road and new access road constitute approximately 0.670 acres of disturbance. The existing minesite disturbance is approximately 0.218 acres, for a total existing disturbance of approximately 0.888 acres. (See Section IV and Figure 5).

It should be noted that the site is bonded for up to 1 acre of disturbance at this time.

III. Operation Plan (Rule R647-3-106)**Type of Mining:**

Surface

Mineral(s) to be Mined:

Gold

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Proposed Activities:

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Activities Proposed at the mine site will include the following:

- (1) *Ingress/Egress over a 14' wide x 4,193' long bladed roadway;*
- (2) *Extraction of ore material using a D-9 Dozer, Trackhoe, and/or a Front-End Loader;*
- (3) *Explosives may be used as needed to fracture the unweathered shale;*
- (4) *Ore material will be crushed to -1/4" on-site using a diesel powered generator and crusher. Any on-site fuel storage will be enclosed or protected by adequately-sized berms for protection from spillage.*
- (5) *Crushed material will be stockpiled on site and removed on an as-needed basis determined by mill requirements;*
- (6) *Crushed ore will be loaded into 30 - 35 ton belly-dump trucks by a front-end loader (960 or 988 size);*
- (7) *Material will be hauled from the site on a graveled access road where it meets the existing powerline access road;*

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- (8) *Haulage will continue northeast on the powerline access road approximately 2.56 miles to U.S. Highway 6, then north to the Mill location northeast of Price, Utah.*
- (9) *The site will be kept in a clean and environmentally safe condition during operation.*

Total project surface acreage to be disturbed:

5 acres or less

Proposed startup date of project:

July 1999

Proposed completion date of project:

The time is presently undetermined.

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IV. Operation and Reclamation Practices (Rule R647-3-107, 108 & 109)

The proposed mine site is accessed by a combination of upgraded and newly constructed road approximately 0.79 miles in total length. The road has a finished width of 14'. Approximately 3693' of the road is on a pre-existing roadway which provided access to an old rock lined retention pond, which is mentioned in the Cultural Resource Inventory in Attachment B. The pre-existing roadway showed evidence of dozer work with disturbance from 8' - 12' in width. A conservative disturbance width of 8' has been used for these calculations. Since the new road followed the pre-existing route, an additional 6' of disturbance width was added over the 3693', for an additional disturbance of 0.51 acres. Based on recommendation from the archaeologic consultant, the access road was re-routed to the south to miss the old dam spillway. This is the new portion of the road. This portion is approximately 500' in length with a width of 14', constituting a disturbance of approximately 0.16 acres. The total upgrade and new road disturbance is then approximately 0.67 acres. Existing minesite disturbance is approximately 0.218 acres; therefore the total existing disturbance is approximately 0.888 acres. The entire proposed roadway is shown on Figure 3.

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The proposed new road will cross 2 moderate-sized drainages. It is proposed to install 40' long x 36" C.M.P. culverts in these drainage crossings.

The proposed new road will be a 14' wide, bladed road as shown on Figure 4. In areas where the road base shows deterioration, a 4" gravel base will be added as shown on Figure 4. These areas will be determined by consultation with Emery County Road personnel. This road will intersect an existing power line access road, which heads northeast for approximately 2.56 miles, where it meets Highway 6. Ore will be hauled out on these roads to the plant site located northeast of Price, Utah.

Proposed Reclamation:

The proposed mine site is a relatively shallow sloping, sparsely vegetated shale hill with a 30' - 40' high dark shale butte in the north half. Prior to mining, any vegetation and available topsoil will be salvaged and stockpiled for final reclamation.

The plan is to remove the ore material, crush it at the site and load and transport it to a remote mill site. The ore will be removed to the angle shown on the mining cross-section, (Figure 5).

Once mining is completed, all equipment and any structures will be removed from the site. Any trash and contaminated soil will also be removed and taken to an approved disposal site. The slope configuration will be as shown on the mining cross-section, (Figure 5). This Mancos slope will conform to natural slopes in this area. Little topsoil or vegetation presently exists on the site; however, any available topsoil will be salvaged and stockpiled. Upon final reclamation, any stored topsoil will be redistributed on the flatter sloping areas. The entire disturbed area will be ripped and reseeded. The flatter, facilities area and access road will be graded to approximate original contour and ripped to a depth of 6" - 8" using a dozer. These areas will then be reseeded by hand broadcast methods with the seed mix listed in Attachment 1.

As discussed in the hydrology section above, no major changes will be made to the existing hydrology for operations of the mine site. During reclamation, the area will be regraded to restore natural drainage patterns prior to mining. Any culverts will be removed and the drainage restored through the road crossing area.

V. Variance Request (Rule R647-3-110)

No

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VI. Permit Fee (Mined Land Reclamation Act 40-8-7(i))

Paid as required

VII. Signature Requirement

I will complete all necessary reclamation of areas disturbed during my operations to the standards described in 43CFR3809.1-3(d) and as required by the Utah Mined Land Reclamation Act (40-8) and the rules specified by the Board of Oil, Gas and Mining, and reasonable measures to prevent unnecessary or undue degradation of the federal lands during operations.

Signature of Operator:



Name (typed or printed):

DAN SHEPPARD

Title/Position:

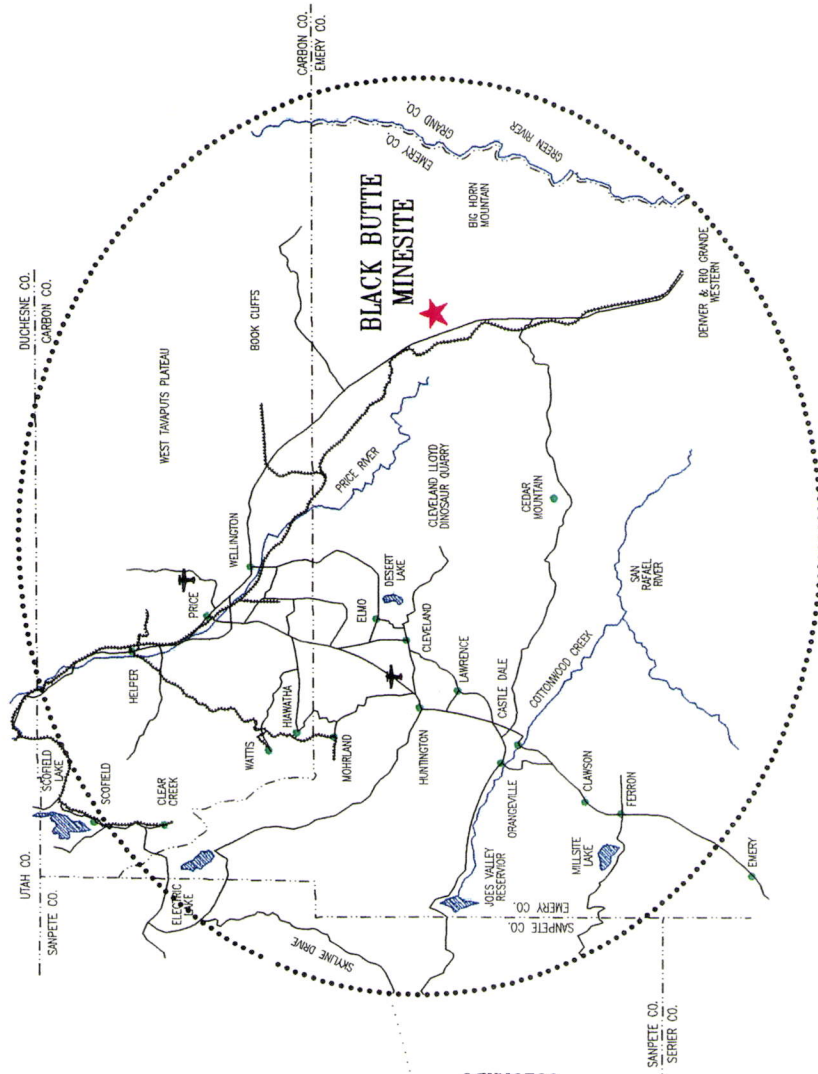
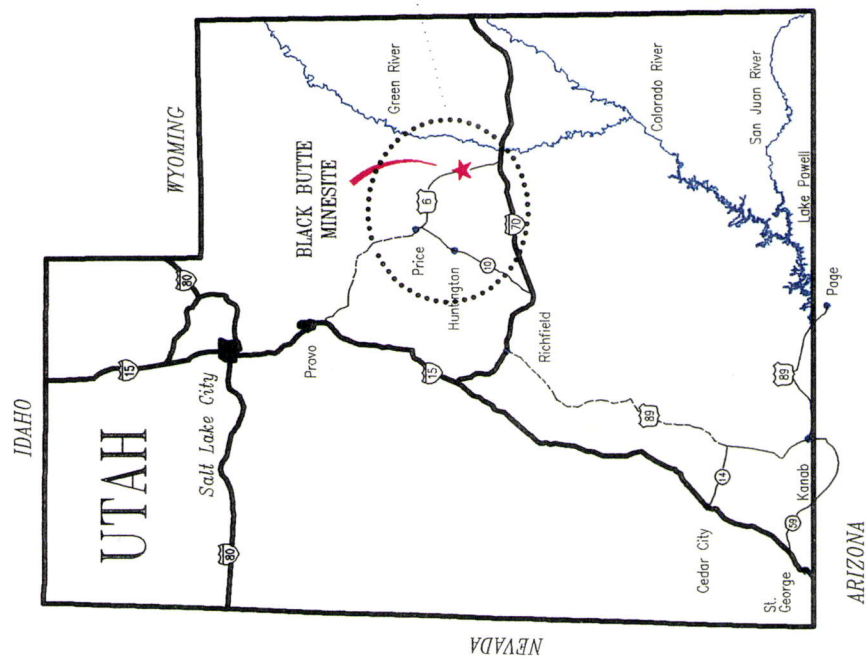
PRESIDENT

Date:

07/13/99

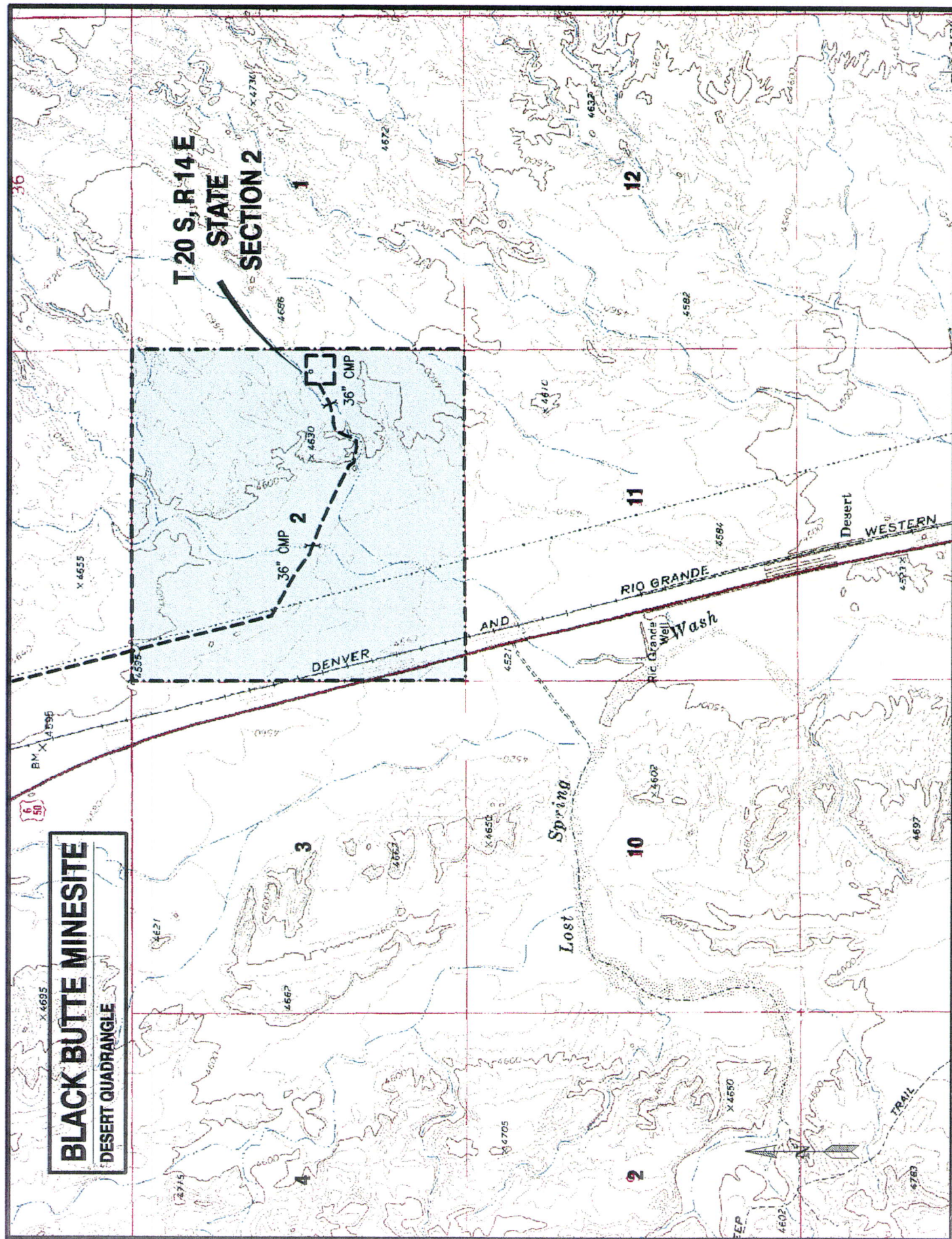
BLACK BUTTE MINESITE

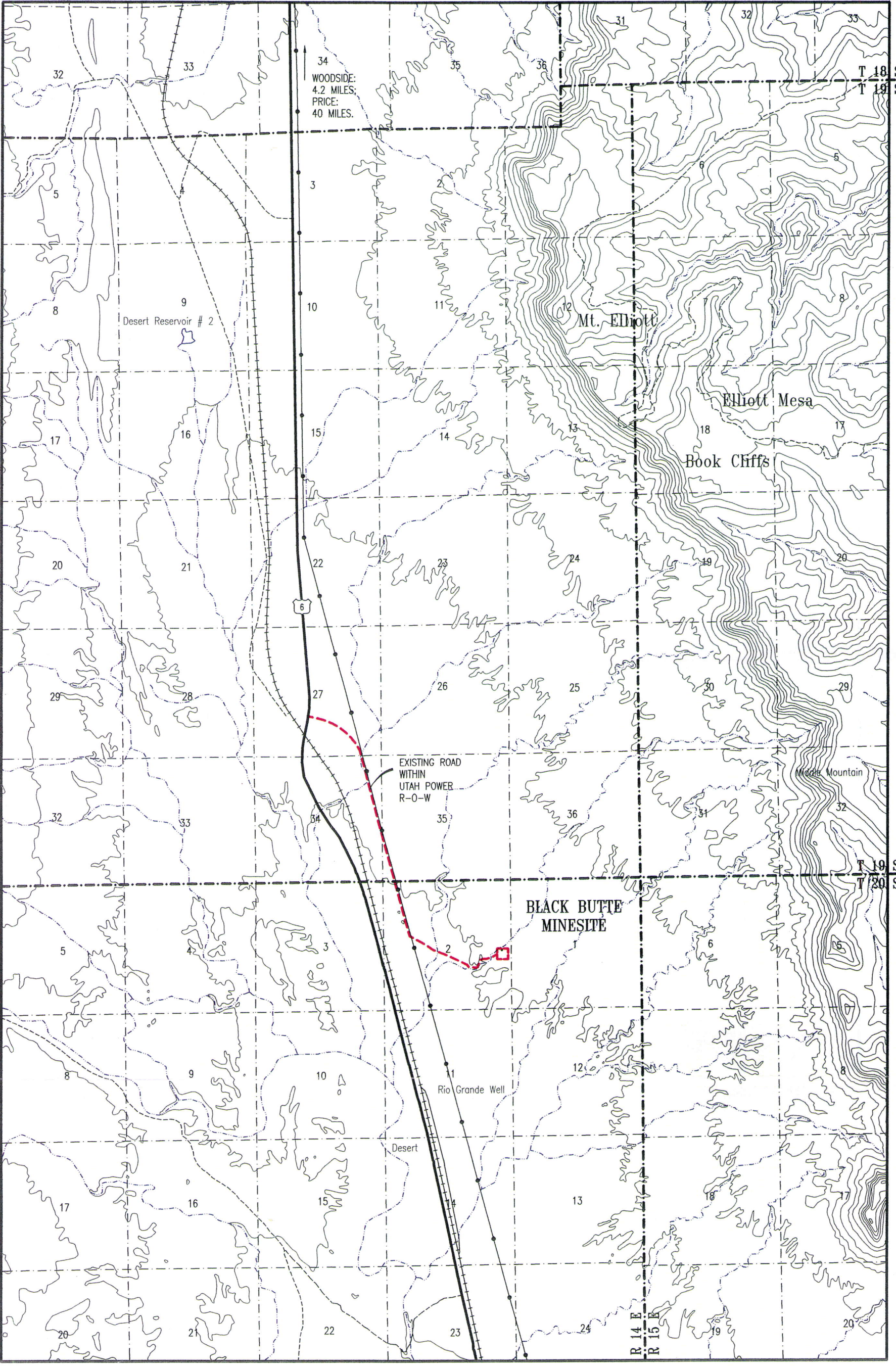
LOCATION MAP



PROJECT AREA DETAIL

FIGURE 1



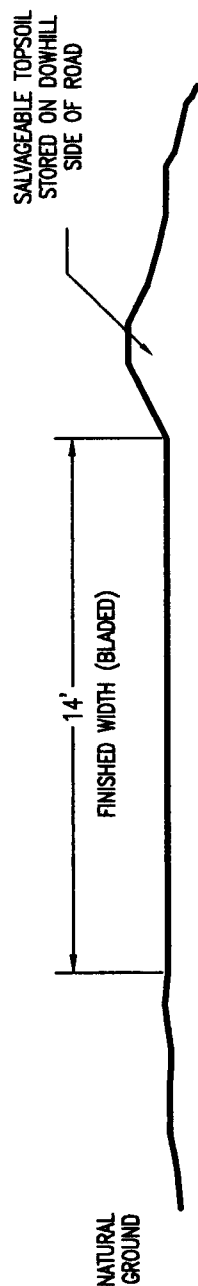


BLACK BUTTE MINESITE
LOCATION MAP

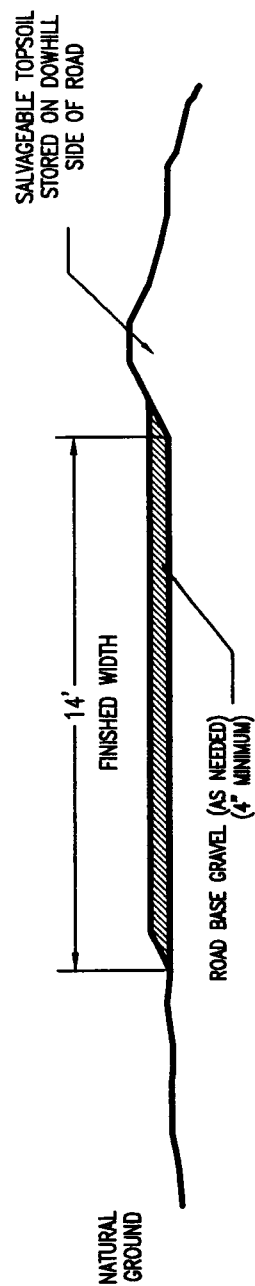
FIGURE 3

BLACK BUTTE MINESITE

ACCESS ROAD



TYPICAL SECTION
(BLADED SECTION ONLY)

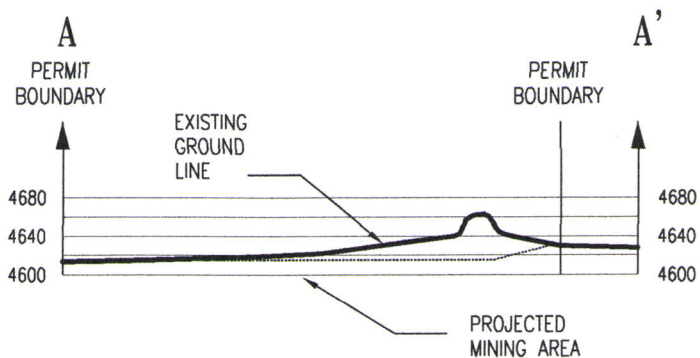
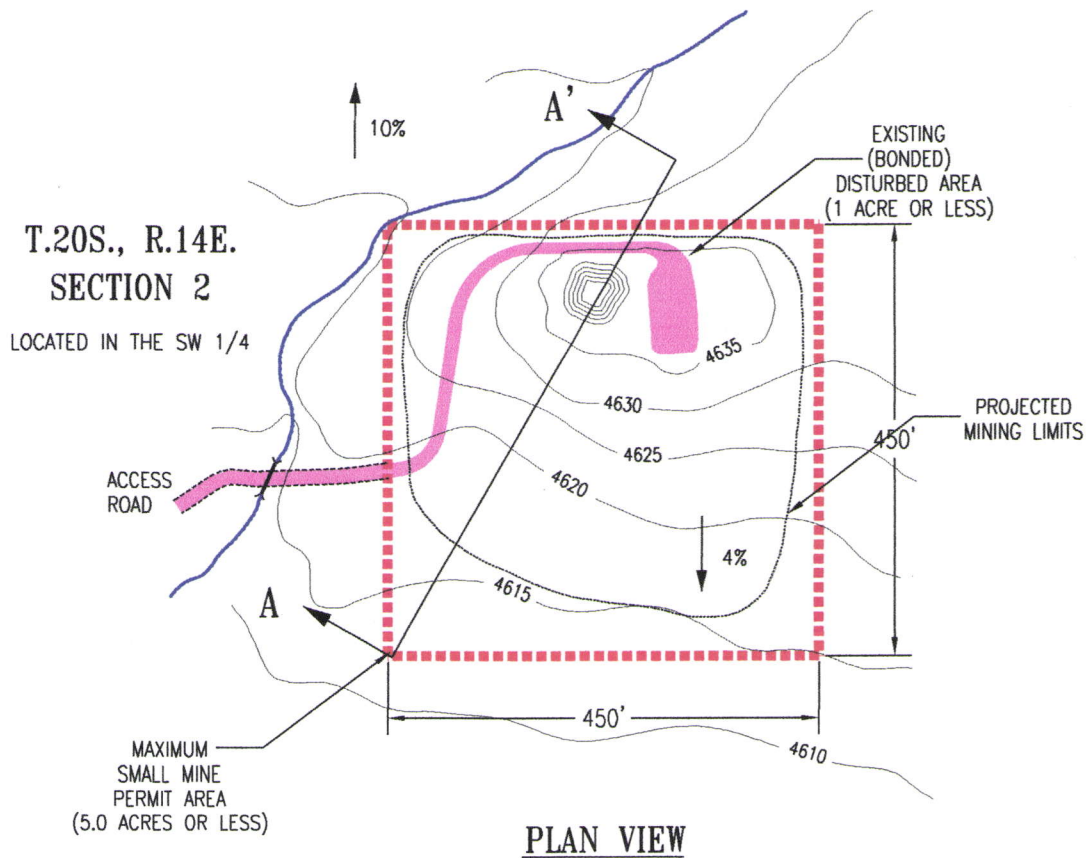


TYPICAL SECTION
(GRAVELED SECTION ONLY)

FIGURE 4

BLACK BUTTE MINESITE

MINE MAP



ANY TOPSOIL WILL BE SAVED AND RE-DISTRIBUTED UPON RECLAMATION.
DISTURBED AREA WILL BE RIPPED AND RE-SEEDING.

Note: Actual Disturbance is
Approximately 0.888 acres.

50' 0' 100' 200'

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ATTACHMENT A

“SEED MIX”

SEED MIX

# per Acre:	GRASSES	
3#	Crested Wheatgrass	Agropyron cristatum
2#	Needle & Thread	Stipa comata
2#	Galleta	Hilana jamesii
1#	Indian Ricegrass	Oryzopsis hymenoides
<hr/>		
	FORBS	
3#	Yellow Sweet Clover	Melilotus officinalis
<hr/>		
	SHRUBS	
1#	Fourwing Saltbush	Atriplex canescens
.5	Winterfat	Kraschennikovia lanatu

12.5# per acre — PLS (Broadcast over disturbed area)

ATTACHMENT B

“ENVIRONMENTAL STUDIES”



**MONTGOMERY
ARCHAEOLOGICAL
CONSULTANTS**

Box 147, 322 East 100 South, Moab, Utah 84532 (435) 259-5764 Fax (435) 259-5608

June 18, 1999

Mr. Dan W. Guye
Blackhawk Engineering, Inc.
Route 1, Box 146-H5
Helper, UT 84526

Dear Mr. Guye:

Enclosed please find the report entitled "Cultural Resource Inventory of the GoldTerra's Black Butte Mine Site and Access Road, Emery County, Utah". The inventory resulted in the documentation of one historic site (42Em2533) which is considered eligible to the National Register of Historic Places (NRHP). To facilitate avoidance, an alternate route was flagged around the south side of the site. Based on the findings, a determination of "no effect" is recommended for this project pursuant to Section 106, CFR 800.

We appreciate the opportunity to provide consulting services for this project. If you have any questions or comments, please call me.

Sincerely,

Keith R. Montgomery
Principal Investigator

cc: Blaine Miller, BLM Archaeologist, Price R.A., Price, UT
James Dykmann, Compliance Archaeologist, Utah SHPO, SLC
Will Stokes, Trust Land Administration, SLC
Tony Gallegos, DOGMA, SLC
Val Payne, Emery Co. Public Lands, Castle Dale

CULTURAL RESOURCE INVENTORY OF THE GOLDTERRA'S
BLACK BUTTE MINE SITE AND ACCESS ROAD
EMERY COUNTY, UTAH

by

Keith R. Montgomery

Prepared For:

State of Utah
School and Institutional
Trust Lands Administration
and
Bureau of Land Management
Price River Resource Area Office
Moab District

Prepared Under Contract With:

GoldTerra, Inc.
6121 Lakeside Drive, Suite 260
Reno, Nevada 89511

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

June 18, 1999

United States Department of Interior (FLPMA)
Permit No. 99-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-99-MQ-0295b,s

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) on June 15, 1999, for the proposed GoldTerra, Inc. Black Butte Mine site and access route in Emery County, Utah. The archaeological survey was implemented at the request of Dan W. Guy, President of Blackhawk Engineering, Inc., Helper, Utah. The inventory area occurs on public land administered by the Bureau of Land Management (BLM) Price River Resource Area (Moab District) and State of Utah, School and Institutional, Trust Lands Administration property.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area. Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Historic Preservation Act of 1966 (as amended), the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed by Keith R. Montgomery on June 15, 1999, under the auspices of U.S.D.I. (FLPMA) Permit No. 99-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-99-MQ-0295b,s issued to Montgomery Archaeological Consultants, Moab, Utah. A file search for previous surveys and documented archaeological sites was performed by the author at the BLM Price River Resource Area Office (June 15, 1999). This consultation indicated that in 1999 an inventory was conducted by MOAC for the original GoldTerra Black Butte Mine Site located in T 19S, R 14E, S. 36 which resulted in no cultural resources (Montgomery 1999). No previously-documented cultural resources are situated within the immediate project area.

DESCRIPTION OF PROJECT AREA

The proposed Black Butte Mine site is located approximately 14 miles north of the town of Green River, Emery County, Utah (Figure 1). The legal description is T 19S, R 14E, S. 35 (BLM) and T 20S, R 14E, S. 1 (BLM) and S. 2 (State of Utah, TLA). This inventory area consists of a 500 by 500 feet square parcel, and a 7000 foot long access route which originates from the existing power line road. The topography is characterized by low gravel covered shale ridges and incised drainages. The elevation of the survey area ranges from 4520 to 4640 feet.

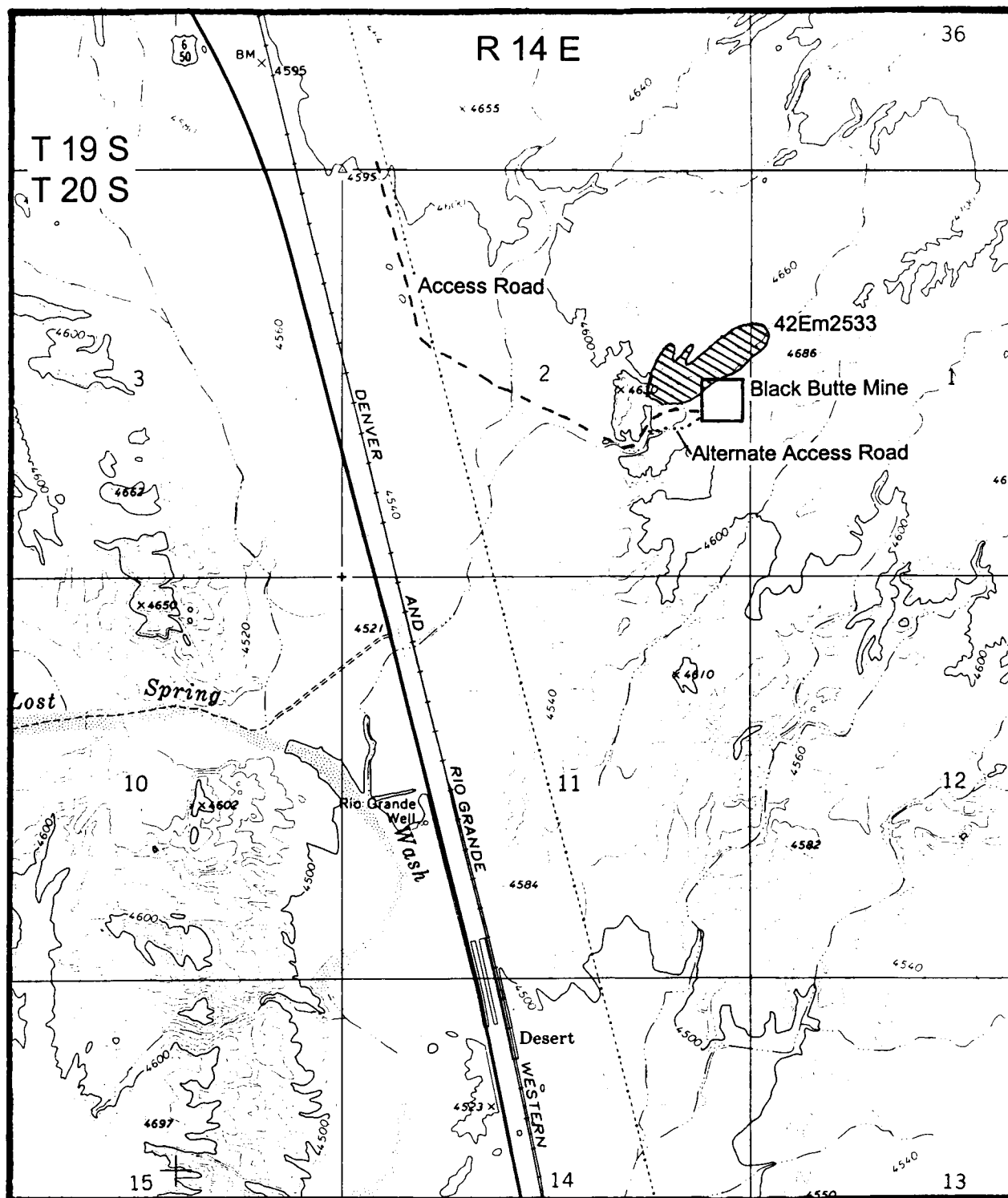


Figure 1. Inventory Area of GoldTerra's Black Butte Mine with Cultural Resources, Emery County, UT. USGS 7.5' Desert, UT 1969. Scale 1:24000.

In general, the project area lies within the Book Cliffs-Roan Plateau Physiographic Subdivision of the Colorado Plateau (Stokes 1986). The Book Cliffs form an almost continuous cliff face along the Tavaputs Plateau, broken by the canyon cut through the plateau by the Price River on its way to join the Green River. The Beckwith Plateau dominates the southern portion of the study area with several prominent canyons which descend from the plateau to join the Green River in Gray Canyon. The geology of the project area is composed of Cretaceous period deposits which date from 144 to an estimated 78 million years ago (Ibid 1986:131). The lowlands west of the Book Cliffs consist of the Blue Gate shale member of the Mancos Shale group which are mainly marine sediments. The Cretaceous age rocks contain a notable record of both continental and marine vertebrates with fish remains represented chiefly by scales and teeth. Permanent water sources in the area consist of the Price River and Green River. The area is characterized by a Desert Shrub Association which includes shadscale, sagebrush, mat saltbrush, tamarisk, snakeweed, and prickly pear cactus. Surface impacts include a power line, two-track roads, an extensive dam, and livestock grazing.

SURVEY METHODOLOGY

An intensive or 100% survey coverage was conducted by the archaeologist. The proposed mine parcel was inspected by the author walking a series of parallel transects spaced no more than 10 meters (30 feet apart). The access route was inspected by walking parallel and zig-zag transects along a 150 foot corridor, spaced no more than 10 meters apart. A total of 32.8 acres was inspected which includes 0.7 acres on public lands administered by the BLM Price River Resource Area (Moab District), and 32.1 acres on State of Utah Trust Lands Administration property.

Archaeological sites were defined as spatially definable areas with features and/or ten or more artifacts. Sites were documented by the archaeologists walking transects across the site, spaced no more than 3 meters apart, and marking the locations of cultural materials with pinflags. This procedure allowed clear definition of site boundaries and artifact concentrations. At the completion of the surface inspection, a transit was employed to point-provenance diagnostic artifacts and other relevant features in reference to the site datum. Site datums consisting of a rebar with an aluminum cap stamped with the temporary site number were placed at the majority of the newly-found sites. Archaeological sites were plotted on a 7.5' USGS quadrangle, and photographed with site data entered on an Intermountain Antiquities Computer System (IMACS, 1990 version) inventory form (Appendix A).

INVENTORY RESULTS

The inventory of the proposed Black Butte Mine Site and access road resulted in the documentation of a historic water control feature (42Em2533). No paleontological localities were identified during the survey.

Smithsonian Site No.: 42Em2533
Temporary Site No.: MOAC 295-1
Legal Description: T20S, R14E, S. 1 and 2
NRHP Eligibility: Eligible

Description: This is a large erosion and water control dam situated east of the Denver and Rio Grande Western Railroad between the localities of Desert Siding and Woodside. The purpose of this feature appears to be twofold: 1) to protect the Denver & Rio Grande Railroad located ½ mile to the west; and 2) to provide a reservoir for livestock. This drainage channeled water from the Book Cliffs towards Lost Spring Wash and the "Rio Grande Well", just north of Desert Siding. The original narrow gauge Rio Grande Railroad (1883-1890) was located along the same route of the present D&RG standard gauge railroad (1890 to present), and Desert Siding (est. 1883). Also known as Desert Switch, this railroad stop was the contact point the construction crews from the east and west met and drove the final spike to connect Denver with Salt Lake City (Pierson and Jamison 1993). Along with the track sidings, this railroad stop supported a section house, bunkhouse, and water from the wells was used to maintain the steam engines. No historic record could be found on this particular dam, although it was most likely built in the 1930s by the Civilian Conservation Corps. In 1938, a CCC camp assigned to the grazing division was established at Green River which engaged in range improvement projects (Geary 1996:278). Beginning in the mid-1930s, the CCC constructed similar dams of rock rubble or some form of dry masonry with a core of puddled clay in the desert regions of Utah (Baldrige 1971).

This water control complex consists of stone and earthen dams, a spillway and large catchment basin which was constructed with a bulldozer as well as manual labor (Figure 2). The main stone/earthen dam is built across the bottom of the drainage between two low gravel ridges. The soil for the dam's core was pushed with a bulldozer from the north ridge into the bottom of the drainage. This well-preserved dam measures 240 feet northwest-southeast by 130 feet wide, and 22 feet high. The downslope face has a 40 degree angle and is armored with local sandstone rock rubble, and capped with rock crowns. The perimeter of the rock armor is outlined with a double row of well-sorted upright sandstone slabs which measure 4 inches wide and 15 to 30 inches long. The interior consists of a single layer of angular sandstone rock ranging from 10 to 40 inches in size. Located about 400 feet to the north is another earthen dam which fills-in a low Mancos saddle. It measures 8 feet high up to 20 feet high, and is breached and washed-out 8 feet high. To the southeast of the main dam is an earthen spillway which includes an east-west aligned earthen dam (20 feet long, 7 feet high), and a channeled spillway extending 70 feet long and 4 feet high. The catchment basin measures 2000 feet by 600 feet, and is presently silted-in with alluvium. The basin or reservoir may have been puddled with clay, a practice employed by the CCC to make the dam cores water-tight. No in-period cultural materials were found in association with this site.

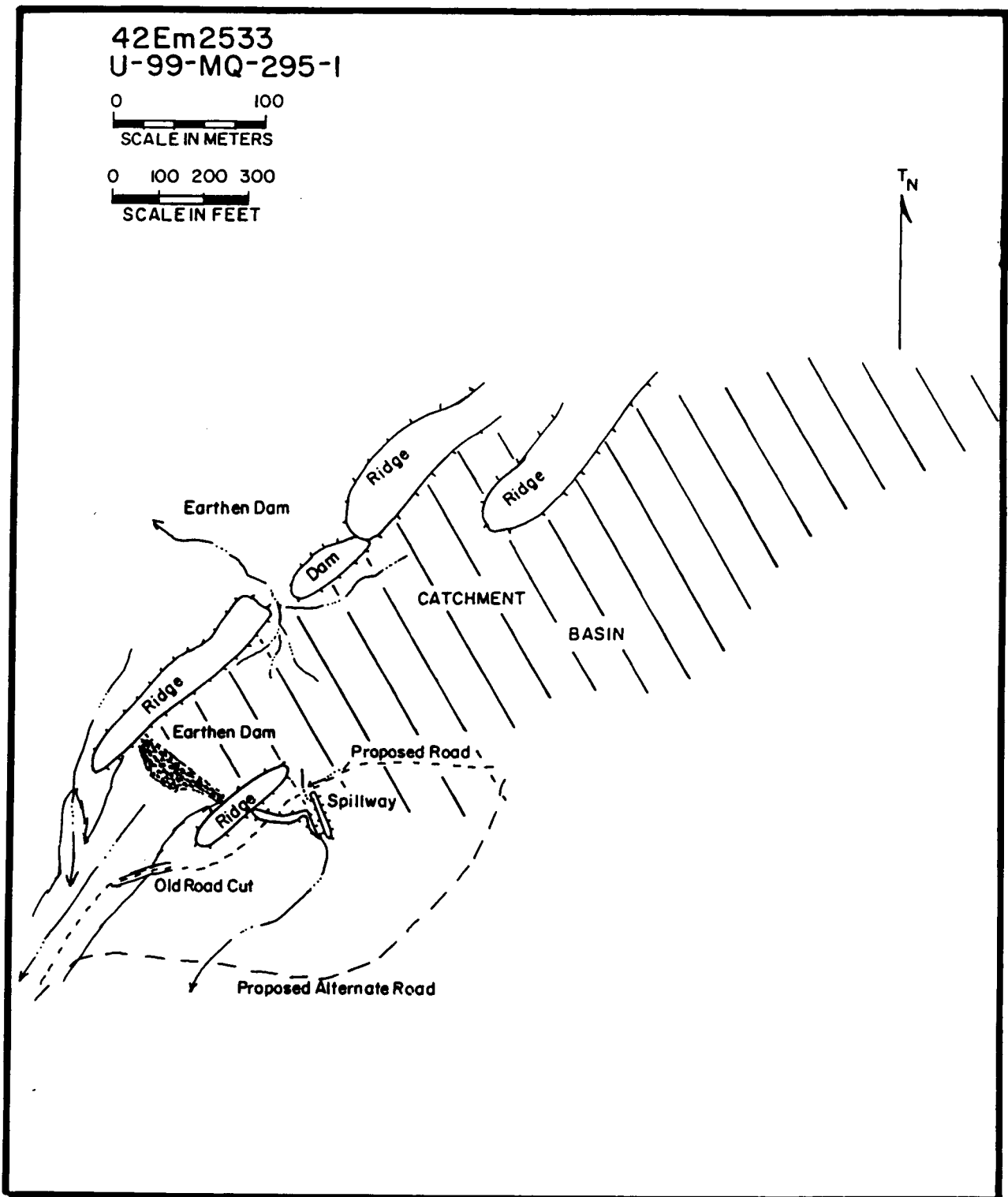


Figure 2. Site 42Em2533 Map.

NATIONAL REGISTER OF HISTORIC PLACES EVALUATION

The National Register Criteria for Evaluation of Significance and procedures for nominating cultural resources to the National Register of Historic Places (NRHP) are outlined in 36 CFR 60.4 as follows:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, material, workmanship, feeling, and association, and that they:

a)...are associated with events that have made a significant contribution to the broad patterns of our history; or

b)...are associated with the lives of persons significant to our past; or

c)...embody the distinctive characteristics of a type, period, or method of construction; or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

d)...have yielded or may be likely to yield information important in prehistory or history.

Site 42Em2533 is a large historic water/erosion control feature most likely constructed by the CCC between the mid-1930s to 1940s. The site is considered eligible to the NRHP under Criteria a and c. Under Criterion a, the dam complex falls under the themes of Civilian Conservation Corps and Waterworks, and is a good example of water control features built during the CCC era in arid south-central Utah. In addition, this well-preserved site retains excellent structural integrity, and exemplifies a distinctive type or method of construction representative of the CCC conservation period (Criterion C).

MANAGEMENT RECOMMENDATIONS

The cultural resource inventory of the proposed Black Butte Mine Site and access road resulted in the documentation of a historic CCC water/erosion control feature (42Em2533). This site is considered eligible to the NRHP under Criteria a and c. The site was avoided by the archaeologist re-rerouting the access route along the south side of the dam complex.

Based on the findings and avoidance measures, a determination of "no effect" to Section 106, CFR 800 is recommended for GoldTerra Inc. Black Butte Mine Site.

REFERENCES CITED

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1971 Nine Years of Achievement: The Civilian Conservation Corps in Utah. PhD Dissertation, Brigham Young University, Provo.
- Geary, E.A.
1996 *A History of Emery County*. Utah State Historical Society, Emery County Commission.
- Montgomery, K.R.
1999 Cultural Resource Inventories of the Black Knight and Black Butte Mine Sites, Emery County, Utah. Montgomery Archaeological Consultants, Report No. U-99-MQ-0155b,s.
- Pierson, L.M. and L.E. Jamison
1993 *Nothing But Desert*. The Denver and Rio Grande Western Railroad Narrow Gauge Between Grand Junction, Colorado and Desert Switch, Utah 1880-1890. Utah Bureau of Land Management.
- Stokes, William Lee
1986 Geology of Utah. Utah Museum of Natural History, University of Utah, Salt Lake City.

APPENDIX A
SITE 42Em2533
INTERMOUNTAIN ANTIQUITIES COMPUTER SYSTEM (IMACS) SITE FORM

On File At:

Utah Division of State History
Salt Lake City, Utah